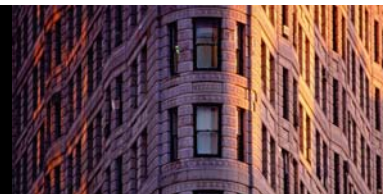


Newton Offshore Strategy Fund UK Equity

Second quarter 2010



Fund information

Aim

The objective of the fund is to achieve long term capital growth, and an element of income, through investing in a portfolio of UK equities only.

Fund facts

Fund structure	OEIC
Base currency	GBP
Benchmark	FTSE All Share
Fund launch date	29 May 1997
Fund domicile	Jersey
Pay dates	28 Feb, 31 Aug
ISIN	GB0006156755
SEDOL	0615675

Fund data

Fund size (millions)	GBP 19
Volatility	16.9
Dividend yield	3.5%
Sharpe ratio	-0.3
Information ratio	0.8

Fees and charges

Annual management charge	1.0%
Total expense ratio	1.10%

All figures correct as at 30 June 2010

Risk and performance statistics sourced from Newton using 36 months of data (where applicable) to 30 June 2010

Focus on the latest quarter

Performance over three months

NOSF UK Equity	-9.1%
FTSE All Share	-11.8%

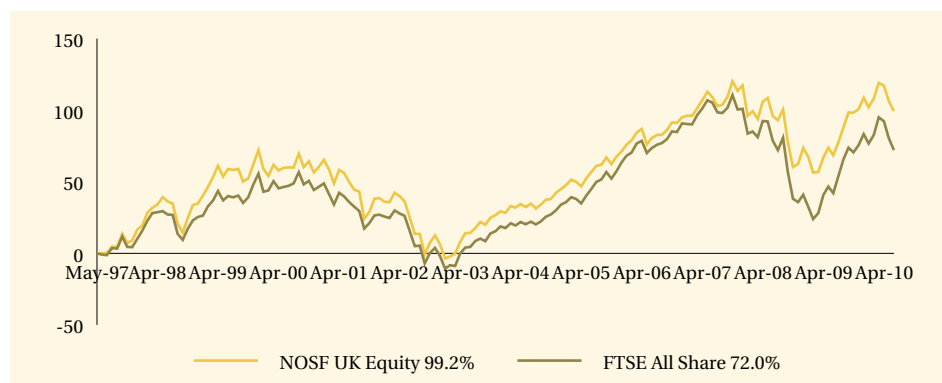
Significant transactions

Acquisitions	Disposals
BP PLC	Vodafone Group PLC
Lloyds Banking Group PLC	GlaxoSmithKline PLC
Rio Tinto PLC	HSBC Holdings PLC
Synergy Health PLC	British American Tobacco PLC
Pennon Group PLC	Diageo PLC

Note: Portfolio holdings are subject to change at any time without notice and should not be construed as investment recommendations.

Long-term performance

Performance since launch



	2001	2002	2003	2004	2005	2006	2007	2008	2009	YTD 2010
NOSF UK Equity	-13.7	-23.2	21.5	12.0	18.3	13.9	11.4	-20.1	20.3	-4.5
FTSE All Share	-13.3	-22.7	20.9	12.8	22.1	16.7	5.3	-29.9	30.1	-6.1

Discrete past performance - percentage change

From	30/06/05	30/06/06	30/06/07	30/06/08	30/06/09
To	30/06/06	30/06/07	30/06/08	30/06/09	30/06/10
NOSF UK Equity	15.1%	16.0%	-6.4%	-14.0%	18.2%

All performance sourced from: Lipper & Datastream, as at 30 June 2010. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees.

Risk factors

This is a financial promotion and is not intended as investment advice. Past performance is not a guide to future returns. The value of investments and the income from them can fall as well as rise and investors may not get back the original amount invested. The value of overseas securities will be influenced by fluctuations in exchange rates. If the portfolio invests in sub-investment grade bonds that typically have a low credit rating these carry a high degree of default risk, which can affect the capital value of your investment. If the portfolio has exposure to hedge funds, gold, private equity and property via publicly quoted transferable securities, there are additional risks associated with these sectors.

Newton's themes

Newton is a global thematic stock picking company. Our style is team oriented and relies on effective communication between all of our investment personnel. Two of our themes are listed below, along with examples of individual holdings.

Networked World

Factors

Although networks have already transformed our lives, the trend remains at a relatively early stage. Rapid increases in bandwidth continue to increase networks' range of uses and their interactivity, which in turn is driving productivity gains. The explosive growth of mobile internet, combined with innovations in sensor technology, will generate profound changes in many industries

Investments

Carphone Warehouse, Hargreaves Lansdown, IG Group, ARM, ASOS

Medical Technology

Factors

Increasingly ageing, affluent and active populations demand products and services that enhance and maintain lifestyles in addition to treating more serious medical conditions. New technologies, materials and services are continually improving the performance of existing products and procedures. Developing world demand for healthcare is rising and, in Western healthcare systems, a key challenge is to improve the efficiency of delivery by adding technology to currently archaic networks

Investments

Synergy Health, Genus, Dechra Pharmaceuticals, SSL International, Smith & Nephew

Newton

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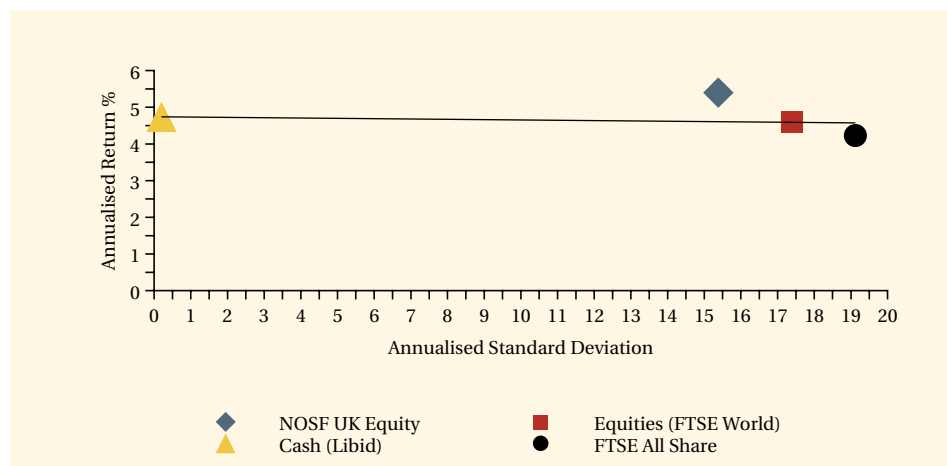
2 Festival Square, Edinburgh EH3 9SU

Leeds

1 Whitehall Riverside, Leeds LS1 4BN

Long-term performance - risk and reward

Fund return and volatility since launch

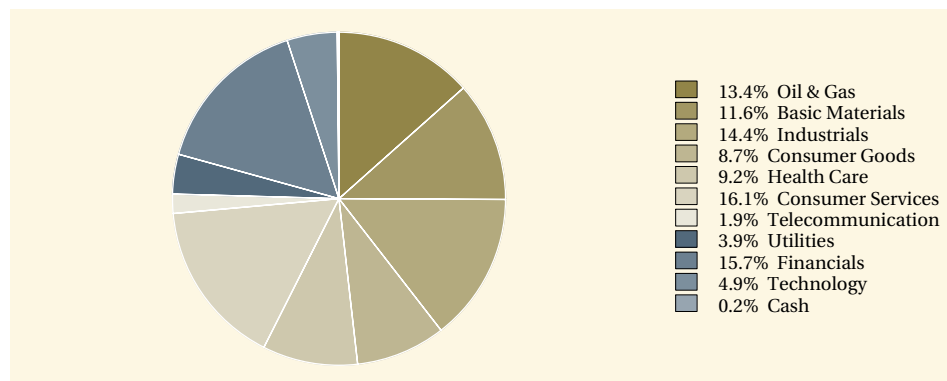


This chart shows both return and volatility. The NOSF UK Equity Fund has given a higher return than the benchmark with lower volatility. The launch date of the fund was 29 May 1997.

Performance sourced from: Lipper, Datastream & Bloomberg, as at 30 June 2010. Calculation basis: Sterling, total return, bid to bid, without initial charges, gross income reinvested, net of management fees.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 June 2010.